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C O N F I D E N T I A L JERUSALEM 000588

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SUBJECT: FATAH-LED UNIONS INCREASE EFFORTS TO BRING DOWN  
FAYYAD'S GOVERNMENT

REF: 2006 JERUSALEM 3798

Classified By: Consul General Jake Walles for reasons 1.4 (b) and (d).

¶1. (C) Fatah-led unions intensified their efforts to bring down the Fayyad government (or at least force the PM to bring Fatah members into his cabinet of independents) by beginning a more aggressive set of strikes beginning April 3. Fayyad has not backed down, and instead announced a series of measures designed to increase pressure on the unions. Fayyad told the Consul General that he has Abu Mazen's support for now, but that he believes any concessions to the unions would bring about the end of his government. Though his aggressive response might bring about the same result, he said, he would rather go down with his principles intact.

Government and Unions in "Open War"

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¶2. (C) After weeks of intermittent and partial strikes, the PA Employees Union and the Palestinian Teachers Union called a full day of strikes on Thursday, April 3. All PA schools and offices were closed for the day. Both unions are demanding that the government enact an overall salary increase and accelerate the payment of wage arrears. Beyond the salary demands, however, each of these Fatah-dominated unions is widely understood to be aiming to bring down Fayyad's government - or at least to force him to introduce a number of Fatah figures into the cabinet. (Note: These same unions were actively working on Fatah's behalf in 2006 to increase pressure on the Hamas Government (reftel). End Note.)

¶3. (U) Fayyad fired back on April 3 by announcing a series of measures designed to escalate the pressure on the unions. He ordered the Ministry of Education to extend the school year as necessary to make up for days lost to strikes, and he announced that the government will no longer pay salaries to employees on days when they are on strike. In addition, he said he is recommending that President Abbas (Abu Mazen) issue a decree allowing private citizens to sue the unions in court for any lost services. Fayyad also made the case for his government: regular and full salary payments for nine months; complete repayment of the arrears of more than 50,000 PA workers; and consistent payment of pensions and the provision of social services.

Abu Mazen On Board (For Now)

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¶4. (C) Fayyad told the Consul General April 3 that he had

spoken to Abu Mazen and has the President's support, though he said Abu Mazen had not yet decided whether to issue the decree he recommended allowing Palestinian citizens to sue the unions.

¶5. (C) Comment: Fayyad unequivocally sees the unions' efforts as part of the Fatah-led campaign to bring down his government, as does the Palestinian street. He is by no means confident that he will survive, but, as he told the Consul General, any effort at conciliation with the unions will cause the government to fall in any case. "I will take a tough stand," he said. "If the government does go down, I will go down with my principles intact." The reality is that Fayyad does not have the money to repay arrears any faster than he has been, and he cannot raise salaries or increase the public payrolls, given the commitments he has made to the international donor community. In any case, wage issues are not the real source of this dispute. End Comment.

WALLES